SELECTED BUSINESS AND ECONOMIC INDICATORS FOR 17 CITIES

TABLE I August, 1987

Monthly Index Number Comparisons of Current Month to Same Month in Base Period (1977) - Base Period = 100

CITY	CITY INDEX*	BANK DEBITS	BUILDING PERMITS	ELECTRICITY CONSUMED	NEWS-PAPER ADV LINAGE	NEW CAR REGIS-TRATIONS	July NON AGRI-CULTURAL EMPLOYMENT	WATER CONSUMED	RETAIL SALES †	POSTAL RECEIPTS
The State		246.6	210.1	182.5	112.7	169.4	138.4	110.9	154.0	368.0
Alexandria	160.4	412.7	151.2	209.1	N.A.	135.9	185.0	116.1	158.9	N.A.
Bristol	128.3	N.A.	69.4	105.7	73.2	91.5	114.2	128.3	125.3	266.0
Cape Charles - Exmore	134.7	N.A.	239.6	170.7	N.A.	94.3	N.A.	N.A.	120.8	180.9
Charlottesville	190.1	164.0	590.3	163.5	N.A.	145.7	104.2	153.8	215.1	308.1
Danville	129.8	N.A.	117.9	129.7	124.0	106.6	96.0	94.2	N.A.	228.1
Franklin	149.0	N.A.	97.8	148.1	122.3	154.1	N.A.	118.2	135.6	242.4
Fredericksburg	380.8	199.7	98.1	N.A.	169.7	201.6	N.A.	100.6	245.1	1458.7
Harrisonburg	163.3	251.1	228.0	N.A.	150.9	90.9	N.A.	148.9	150.4	301.0
Lynchburg	233.3	371.6	92.1	139.7	N.A.	98.6	96.0	105.5	180.8	883.8
Newport News - Hampton	155.2	N.A.	286.9	161.3	99.3]	111.2	139.4]	145.9	194.8	N.A.
Norfolk - Va. Beach - Portsmouth	148.0	118.1	196.5	206.2		117.5		101.7	222.7	N.A.
Petersburg	124.2	151.8	191.3	N.A.	25.8	94.0	128.0]	122.9	128.6	237.3
Richmond	160.1	284.4	985.0	200.0	126.8	131.5		136.4	134.4	315.1
Roanoke	161.8	340.7	100.7	127.0	166.2	87.7	125.5	128.2	159.1	344.5
Staunton	158.7	168.2	198.4	N.A.	86.7	181.5	N.A.	N.A.	154.5	220.4
Williamsburg	179.8	173.7	288.0	212.0	N.A.	156.8	N.A.	126.8	140.1	342.6
Winchester	177.1	353.8	123.1	146.7	242.0	142.6	N.A.	N.A.	N.A.	N.A.

TABLE II August, 1987

Percentage Change from same month last year

CITY	CITY INDEX*	BANK DEBITS	BUILDING PERMITS	ELECTRICITY CONSUMED	NEWS-PAPER ADV LINAGE	NEW CAR REGIS-TRATIONS	July NON AGRI-CULTURAL EMPLOYMENT #	WATER CONSUMED	RETAIL SALES †	July RETAIL SALES ‡
The State		-9.0	7.5	10.6	2.3	-16.0	2.9	9.1	-0.2	11.8
Alexandria	-8.0	18.9	-75.8	12.7	N.A.	-23.1	3.7	12.2	-7.7	11.3
Bristol	-9.7	N.A.	-5.4	4.8	-18.6	-34.7	6.1	-9.5	-8.9	-8.9
Cape Charles - Exmore	-1.5	N.A.	-32.3	7.1	N.A.	-31.8	N.A.	-14.5	4.1	16.1
Charlottesville	5.6	-43.2	382.3	15.9	N.A.	-2.6	1.2	15.1	0.7	13.5
Danville	7.8	N.A.	-15.4	19.3	1.9	-1.0	2.4	17.0	N.A.	7.0
Franklin	6.7	N.A.	-7.4	13.7	3.4	-38.6	N.A.	19.5	12.8	16.9
Fredericksburg	4.6	18.0	-0.9	N.A.	9.3	-9.3	N.A.	32.2	-0.5	1.8
Harrisonburg	-0.2	-19.6	19.5	N.A.	12.4	-31.6	N.A.	-0.1	0.6	16.2
Lynchburg	-1.5	0.6	-62.2	7.9	N.A.	-3.5	1.2	-15.5	0.9	-4.9
Newport News - Hampton	0.8	N.A.	-15.1	7.8	5.4]	-15.9	2.3]	3.8	-1.5	8.7
Norfolk - Va. Beach - Portsmouth	1.0	6.5	-3.6	8.5		-14.1		8.0	-2.6	6.3
Petersburg	2.6	-4.6	-22.4	N.A.	-17.3	28.7	4.0]	6.2	0.0	-1.2
Richmond	3.7	-11.2	348.3	11.6	3.5	-9.3		17.0	-1.9	12.0
Roanoke	3.1	-20.3	-24.5	7.9	-0.3	-19.0	4.4	13.4	6.9	0.6
Staunton	19.8	25.9	303.7	N.A.	-1.6	3.8	N.A.	N.A.	30.2	26.0
Williamsburg	-1.2	-3.0	-38.8	4.2	N.A.	-21.3	N.A.	-8.6	-5.5	33.5
Winchester	5.8	3.8	44.8	5.9	3.5	0.0	N.A.	N.A.	N.A.	13.8

TABLE III

Percentage Change January - August from same period last year

CITY	CITY INDEX*	BANK DEBITS	BUILDING PERMITS	ELECTRICITY CONSUMED	NEWS-PAPER ADV LINAGE	NEW CAR REGIS-TRATIONS	Jan.-July NON AGRI-CULTURAL EMPLOYMENT #	WATER CONSUMED	RETAIL SALES †	Jan.-July RETAIL SALES ‡
The State		12.7	-12.4	7.1	2.7	-7.4	3.4	0.3	3.5	9.5
Alexandria	3.1	43.1	76.1	11.4	N.A.	-7.0	4.3	1.0	1.4	10.8
Bristol	2.4	N.A.	11.9	-0.4	5.2	-18.0	3.9	5.5	-6.8	2.4
Cape Charles - Exmore	2.3	N.A.	-20.7	1.7	N.A.	-22.6	N.A.	6.5	5.5	13.9
Charlottesville	1.8	3.3	36.9	8.5	N.A.	-11.6	2.2	0.8	1.2	11.0
Danville	1.1	N.A.	-28.6	7.0	4.7	-13.6	1.2	6.5	N.A.	1.0
Franklin	3.1	N.A.	-34.3	8.4	5.1	-30.2	N.A.	3.5	-0.3	38.7
Fredericksburg	7.8	43.4	150.0	N.A.	12.9	-2.9	N.A.	11.5	6.5	13.3
Harrisonburg	3.8	-6.1	31.4	N.A.	3.8	-14.6	N.A.	6.4	4.6	17.2
Lynchburg	0.1	-10.1	15.6	5.4	N.A.	-10.0	1.7	-8.4	1.7	6.7
Newport News - Hampton	1.5	N.A.	-34.5	4.5	3.5]	-7.2	2.4]	-4.3	2.1	8.2
Norfolk - Va. Beach - Portsmouth	3.3	29.1	-26.3	4.4		-2.3		2.4	4.8	4.9
Petersburg	3.9	11.5	-37.9	N.A.	N.A.	-4.6	3.5]	4.3	5.7	6.8
Richmond	3.1	13.7	73.7	7.6	4.4	-3.4		-0.1	1.5	11.5
Roanoke	0.0	-16.6	0.4	1.5	-2.2	-18.4	3.1	0.1	5.3	0.1
Staunton	12.8	12.5	47.5	N.A.	N.A.	-15.0	N.A.	N.A.	22.7	10.9
Williamsburg	4.1	18.9	-60.9	6.2	N.A.	-12.7	N.A.	-4.1	7.4	16.8
Winchester	1.9	-29.6	372.7	5.5	N.A.	-14.3	N.A.	N.A.	N.A.	14.6

*Computation of City Index is based upon a weighted arithmetic mean of all business and economic components listed except Building Permits and Bank Debits, which are excluded because of their highly erratic nature.
#Virginia Employment Commission data which lags behind current reports.
†Preliminary data based on a survey sample.
‡Revised data based on sales tax information which lags behind current reports.
] Only total MSA data are available for these areas

N.A. — Not Available
0.0 — No Change

The Summer of 1987 – Job Growth In Virginia

Frequently this year we have commented on the decelerating growth of payroll jobs in Virginia. This month we are providing a more detailed picture of recent experience, using the average employment figures for the latest two months available, June and July. Table IV shows the percent changes in nonagricultural employment from the summer (June-July) of 1986 to the summer of 1987, by geographical areas and nine industry groups plus the overall state. The data confirm that, this summer, payroll jobs have grown compared to last summer in nearly every area and industry sector. By area, only the Charlottesville MSA has recorded a decline in nonagricultural employment (we checked that with the Virginia Employment Commission. Data revisions since our August report have turned a small summer gain into a decline there). Northern Virginia remains a growth leader, but both Bristol and Roanoke have had higher job growth rates this summer. Plus, the Richmond-Petersburg MSA's percentage gain is very close to that of Northern Virginia — the latter area is no longer the dominant leader on a percentage change basis.

By industry, construction job growth has gone from superstar status last year to below average this summer, less than the state's overall percentage gain. That has been the predicted sequel to the declining building permits this year, and construction employment statewide should actually drop in the coming months.

TABLE IV Nonagricultural Employment Growth Rates, Summer 1986 to Summer 1987

Area	Total Non-Agricultural Employment	Durable Goods Manufacturing	Nondurable Goods Manufacturing	Construction	Transportation and Public Utilities	Wholesale and Retail Trade	Finance Insurance and Real Estate	Services	Federal Government	State and Local Government
The State	2.8	-0.7	1.7	2.7	3.9	4.3	4.8	3.6	0.8	2.2
Nonmetro Areas	2.0	1.1	2.4	11.3	-0.5	4.8	1.7	1.4	-6.5	-0.8
Sum of MSAs	3.1	-1.7	1.1	-0.2	5.1	4.1	5.2	4.2	1.7	3.3
Northern Virginia	3.8	-6.2	3.6	0.4	10.5	3.3	7.3	3.5	2.0	7.1
Bristol	4.8	7.1	3.3	-11.1	9.1	6.8	0.0	1.1	0.0	9.9
Charlottesville	-1.4	-2.6	0.0	6.8	7.1	0.8	1.6	0.9	0.0	-6.4
Danville	1.7	1.6	4.6	-13.3	0.0	0.0	-8.3	-1.8	0.0	6.7
Lynchburg	1.6	3.0	2.4	1.5	0.0	2.7	3.0	1.8	0.0	-2.7
Hampton Roads	2.4	-6.0	-0.3	-4.9	0.8	6.3	3.4	5.7	1.0	1.0
Richmond/Petersburg	3.5	8.6	-0.2	4.2	2.7	0.9	5.6	6.1	2.7	4.5
Roanoke	4.4	0.0	0.0	4.9	-2.2	11.6	3.7	0.4	1.5	7.5

TABLE V Direction of Growth Rate Changes in Virginia Nonagricultural Employment For Summer 1986-1987 Rates Versus Summer 1985-1986 Rates[a]

Area	Total Non-Agricultural Employment	Durable Goods Manufacturing	Nondurable Goods Manufacturing	Construction	Transportation and Public Utilities	Wholesale and Retail Trade	Finance Insurance and Real Estate	Services	Federal Government	State and Local Government
The State	DG	F	AG	DG	AG	DG	DG	DG	S	SG
Nonmetro Area	DG	DG	AG	SG	F	DG	DG	DG	[illegible]	F
Sum of MSAs	DG	AF	AG	F	AG	DG	DG	DG	G	AG
Northern Virginia	DG	G	DG	DG	AG	DG	DG	DG	G	AG
Bristol	AG	G	SG	DF	AG	DG	ZG	DG	ZG	AG
Charlottesville	F	DF	ZG	AG	G	DG	DG	DG	ZG	F
Danville	G	DG	G	AF	ZG	ZG	F	F	ZG	AG
Lynchburg	AG	G	G	DG	ZG	G	G	DG	ZG	F
Hampton Roads	DG	F	F	F	DG	AG	DG	AG	G	DG
Richmond/Petersburg	AG	G	SF	DG	AG	DG	AG	DG	SG	G
Roanoke	AG	ZG	ZG	AG	SF	AG	DG	DG	SG	G

[a]See text for definition of categories of change.

Services also are reporting much more moderate job growth this summer, only 3.6% above last summer's level. The wholesale and retail trade growth rate is a bit higher than that at 4.3%. But, only a year ago both of these industry sectors were growing at better than a 6% pace. None of the nine industry sectors are growing statewide at even 5%.

Table IV gives the growth rates, but as usual any analysis quickly moves to whether or not the job growth is decelerating. Therefore we constructed Table V, with coded entries to describe the direction of the changes (if any) in the growth rates. The entries were determined by comparing the 1986-1987 summer growth rates to the 1985-1986 summer rates. A nine-category classification scheme was developed to describe the direction in which a growth rate was moving. These nine categories are described below.

Four categories relate to positive growth rates. AG: An Accelerating (larger positive) growth rate. SG: Steady (same) growth rate. DG: Decelerating (smaller positive) growth rate. G: Switched from a negative to a positive rate.

In addition to these four, the ZG category identifies any zero growth rate (or below 0.3%) for 1986-1987. The previous year's rate could be either positive, zero, or negative. The 'DF' label relates to another rather special type of change, a decelerating rate of decline. No decline is desirable; but, if the rate of decline is getting smaller then that sector is becoming less of a drag on the total results.

There are three additional categories related to declining job levels. F: Switched from growth to a decline. SF: Steady (same) rate of decline. AF: Accelerating rate of decline (higher negative).

Each of the 110 growth rates in Table IV were compared to the growth rates for summer 1985 -- summer 1986 (not shown here), and the resulting classifications for the direction of change in each growth rate are reported in Table V. The table may look like a set of genetic codes to some. In a sense it is — the set of classifications do provide insights about the future rate and type of growth for Virginia's economy.

Let us explore how to use the table, with some examples of the insights it offers. First, just a quick scan reveals that DG entries, indicating decelerating growth rates, are the most numerous of the nine classifications (actually, 37 of the 110). Decelerating growth is indeed occurring widely, across areas and industries. The DGs are especially prominent in three of the columns: wholesale and retail trade, FIRE, and services. For the services industry column, 9 of the 11 entries are DG; in addition, one is an F, noting a switch from growth to a decline. Therefore 10 of the 11 entries point to lower growth in the services sector. Trade and services clearly are not the likely sources of future new strength in Virginia's job growth.

What are the promising sources of new strength? A good indication comes from picking out three types of classifications: AG, the accelerating growth sectors (22 total count); G, where a decline has switched to an increase (15 entries); and the DFs, where the rate of decline is getting smaller, exerting less drag (only 3 of these). Looking at the industry columns, the transportation and public utilities industry stands out: 5 AGs including the state total (row 1) plus 1 G. This is a large industry, with over 5% of the state's total payroll employment, and as shown in Table IV its recent growth rate is 3.9%, well above the state average. Therefore this industry definitely deserves monitoring as an important and rising source of economic strength.

Another private sector industry with significant signs of an increasing contribution is nondurable goods manufacturing, with AG classifications for the state, the nonmetropolitan areas, and the sum of the MSAs. The nonmetro strength is not directly identifiable, but the current metropolitan strength is related to the improvements (the two Gs) in Danville and Lynchburg. The statewide acceleration strongly reflects the accelerating growth in two specific nondurable goods manufacturing industries, food and textiles.

A third source of current new strength is in the public sector, state and local government employment. That column shows 4 AG entries and 2 Gs. Neither the size of the recent statewide growth rate (2.2%) nor the strength of its acceleration is impressive. However, the direction of changes in the overall and area growth rates is an indication that more strength may come from state and local government job growth in the future.

Column 1 contains the growth rate designations by area of the state. A brief review shows 4 of Virginia's 8 MSAs are experiencing accelerating job growth: Bristol, Lynchburg, Richmond-Petersburg, and Roanoke. As noted earlier, Bristol and Roanoke currently are the leaders in growth rate, and any further acceleration in the Richmond-Petersburg MSA will move its rate past Northern Virginia. For Richmond-Petersburg, the sources of its acceleration are revealed by reading across the table: accelerating growth in the transportation/public utilities and FIRE sectors and a switch from decline to growth in durable goods manufacturing and state and local government jobs.

In sum, a classification by industry and area of the direction of changes in growth rates has proved useful to us in assessing Virginia's probable strengths and weaknesses in future job growth. We hope you find it helpful in developing your own perspective. RLP